Professional Practices

Lesson 22

Home Inspections -
Deal Maker or Deal Breaker

45 Hour Louisiana Post-Licensing

BACKGROUND INFORMATION

Home inspections have become an integral part of real estate transactions, with the majority of homes sold in today's market undergoing the process. However, this has not always been the case.

When the home inspection profession first appeared on the real estate scene, it was not embraced with open arms by the real estate profession. Perhaps there was a feeling of vulnerability associated with the potential impact that a home inspection could have on a real estate transaction. Whatever the reason, it did not take long for the real estate industry to recognize the value of a home inspection in helping to shield brokers and agents from potential litigation. If there was ever any doubt about it, the **Easton v. Strassberger** court decision (199 Cal. Rptr. 383 (Cal.App. 1 Dist. 1984) made it crystal clear.

Facts of the Case

Easton v. Strassburger was a 1984 California Appellate Court decision that expanded both the duty of real estate agents and the grounds for negligence in selling faulty residential property. The state Supreme Court declined to hear the case, giving it the force of law in the state.

Strassburger employed the firm of Valley of California as broker for the sale of their property. Easton purchased the property for $170,000 in May 1976. One of the agents observed that the floor of a guest house was uneven, an indication of soil problems. There was also a net installed to repair damage from a slide which occurred just prior to the sale. The 1976 slide damaged the property so severely that the property was estimated to be worth $20,000 in its damaged condition. There were two other slides in 1973 and 1975 which caused portions of the land to sink significantly. However, Strassburger never ordered a soil study and did not disclose these facts to Easton. Shortly after the sale, landslides again caused significant damage to the property. The slides occurred because a portion of the property was built on fill that was not properly engineered or compacted. The driveway was destroyed, walls cracked, and floors and doors warped.

Easton sued for fraudulent concealment and intentional and negligent misrepresentation. Easton filed suit against the Strassburgers, the contractors, the real estate agents, and three other parties. The trial court found all of the defendants negligent and awarded Easton $197,000.

The appeal filed by the real estate agents is the basis of the case. The appellate court upheld the decision against the selling agents despite the fact that they had been equally deceived by the Strassburgers. The court held that agents, as licensed professionals, have a duty to not only disclose what they know, but also what they should know as professionals making “reasonable use” of their knowledge, skills, and experience.

A real estate agent owes a duty of care to other parties to a real estate transaction, even if he or she has not undertaken to act as their agent. Easton v. Strassburger, supra, held that a seller's agent has a duty to exercise care to discover and disclose to a prospective buyer of residential property any physical conditions and defects that might materially affect the value or desirability.

Easton v. Strassberger
(199 Cal. Rptr. 383 (Cal.App. 1 Dist. 1984)

In the eyes of the court, the agents saw and ignored “red flags” such as the mere presence of fill, uneven floors, and erosion netting that was placed on slopes. These things should have alerted them, as experienced real estate professionals, to potential problems. The court held that real estate agents have an affirmative duty to further investigate such obvious signs of distress.

Easton v. Strassburger is a landmark case that established a selling agent's duty of inspection and disclosure to prospective purchasers. (The court limited its holding to residential property, expressing "no opinion" whether an agent's obligation to conduct an inspection for defects for the buyer's benefit applies to the sale of commercial real estate.)

And so, the wheels were placed in motion. Before 1985, there were no state regulations for home inspectors or home inspections, but today that has changed. Texas was the first state to enact legislation, but it was the Louisiana regulatory program that ranked number one in the American Society of Home Inspectors' (ASHI) top five best states for home inspection (2008). States were graded according to the weight ASHI placed on regulation standards and were evaluated against criteria such as experience, education, testing requirements, standards of practice, and code of ethics.

LOUISIANA LAW AND RULES AND REGULATIONS

Basic Purpose

In 1999, with the enactment of **R.S. 37:1471 et seq.**, otherwise known as the **Louisiana Home Inspectors Licensing Law**, the Louisiana Legislature declared it in the best interest of the citizens of the state to require the licensing and regulation of home inspectors. The stated purpose of the law is to require qualifying criteria in a professional field in which unqualified individuals may injure or mislead the public and to contribute to the safety, health, and welfare of the people of this state.

Administration and Regulation

As provided in the law, the Louisiana home inspection industry is regulated by the **Louisiana State Board of Home Inspectors**, a seven-member panel whose duties and responsibilities are structured similar to those of the Louisiana Real Estate Commission:

Powers and Duties of the Board **(R.S. 37:1475)**

The law provides that the board shall:

(1) Elect a chairman and a vice chairman, each to serve a term of one year, who may be reelected for subsequent terms.

(2) Employ a secretary-treasurer who shall serve as the chief operating officer of the board, who shall serve at the pleasure of the board, and who shall employ such other staff as approved by the board.

(3) Hold quarterly meetings each year, provided special meetings may be held at such time and place as specified or called by the chairman. The secretary-treasurer shall provide written notice of all meetings to the members of the board and to the interested public.

(4) Adopt rules and regulations, in accordance with the Administrative Procedure Act, as the board deems necessary to administer and implement the provisions of this Chapter or to govern the practice of home inspectors in the state.

(5) Issue, suspend, modify, or revoke licenses to practice as a home inspector in the state.

(6) Report to the attorney general all persons who violate the provisions of this Chapter.

(7) Maintain an up-to-date list of licensed home inspectors.

(8) Adopt and approve a licensing examination, which may be administered by a nationally accepted testing service as determined by the board.

(9) Adopt an official seal.

(10) Adopt minimum standards of practice for home inspectors.

(11) Have the authority to impose fines.

(12) Adopt rules and regulations governing the manner and conditions under which credit shall be given by the board for participation in continuing professional education as the board may consider necessary.

(13) Authorize any affidavit necessary for the issuance of any injunction or other legal process authorized under this Chapter or under the rules and regulations of the board.

(14) Issue subpoenas to require attendance and testimony or the production of documents for the purpose of enforcing the provisions of this Chapter and the rules and regulations adopted pursuant to this Chapter and securing evidence of violations.

(15) Have the authority to incur debt.

See Acts 1999, No. 61, §2; Acts 2003, No. 568, §1.

Definition of a Home Inspection and Other Relevant Terms (R.S. 37:1473.4-8)

A home inspection is a thorough non-destructive examination of the current condition of a home. It is **not** an appraisal (which determines market value) or a municipal inspection (which verifies local code compliance). A home inspector, therefore, will not "pass" or "fail" a house, but will accurately and objectively describe its physical condition and indicate potential problems or concerns.

To ensure that a home inspector provides an inspection service that complies with board standards, the law contains specific language that defines a home inspection and other relevant terms. As a real estate licensee, it could be helpful to become familiar with the definitions shown in the following excerpt from the Louisiana Home Inspectors Licensing Law:

"As used in this Chapter, the following words shall have the following meanings unless the context clearly indicates otherwise:

(4) "Home inspection" means a written evaluation of two or more of the following component systems of a resale residential building:

(a) Electrical system

(b) Exterior system

(c) Insulation/ventilation system

(d) Heating and cooling systems

(e) Plumbing system

(f) Roofing system

(g) Structural system

(h) Appliance system

(i) Interior system

(j) Any other related residential housing system as defined in the standards of practice prescribed by the board.

(5) "Home inspector" means any person who, in accordance with the provisions of this Chapter, holds himself out as a home inspector to the general public or engages in the business of performing home inspections on resale residential buildings for compensation or who examines any component of a building, through visual means and through normal user controls, without the use of mathematical sciences.

(6) "Licensee" means any person who has been issued a license by the board in accordance with the provisions of this Chapter.

(7) "Residential resale building" means a structure intended to be or that is used as a residence and consists of four or less living units, excluding commercial use space or units, and is not for sale for the first time.

(8) “System" means a combination of interactive or interdependent components assembled to carry out one or more functions.”

Acts 1999, No. 61, §2; Acts 2003, No. 568, §1.

General Exclusions

There are certain items that may not be found in a home inspection report. The significance of knowing these exclusions is the benefit they may provide in explaining the home inspection process to your client. In addition to what a buyer or seller can expect from a home inspection report, it is equally important to know what not to expect. Louisiana home inspectors **are not required** to inspect or report on:

- Life expectancy of any component or system;
- Causes of any condition or deficiency;
- Methods, materials, and costs of corrections;
- Suitability of the property for any specialized use;
- Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements, special utility, insurance or restrictions;
- Any component or system that was not inspected and so stated in the home inspection report or pre-inspection agreement;
- Presence or absence of any suspected or actual adverse environmental condition or hazardous substance, including but not limited to asbestos, radon lead, mold, contaminated drywall, carcinogens, noise, or contaminants, whether in the building or in soil, water, or air;
- Decorative or cosmetic items, underground items, or items not permanently installed;
- Hidden, concealed or latent defects;
- Items not visible for inspection including the condition of systems or components which are not readily accessible; or
- Future conditions, including but not limited to, the likelihood of failure or the expected life of systems and components.

Additionally, Louisiana home inspectors **are not required** to:

- Offer warranties or guarantees of any kind;
- Calculate or determine the strength, adequacy, or efficiency of any system or component;
- Enter the under-floor crawl spaces, attics, or any area which, in the opinion of the home inspector, is not readily accessible;
- Operate any system or component that is shut down or otherwise inoperable;
- Operate any system or component that does not respond to normal operating controls;
- Disturb insulation, move personal items, panels, furniture, equipment, plant life, or other items that may obstruct access or visibility;
- Determine the effectiveness of any system installed to control or remove suspected hazardous substances;
- Project operating costs of components;
- Evaluate acoustical characteristics of any system or component;
- Inspect special equipment or accessories that are not listed as components to be inspected in this Chapter;
- Operate shut-off valves;
- Inspect detached structures, other than garages and carports;
- Inspect common elements or areas in multi-unit housing, such as condominium properties or cooperative housing;
- Dismantle any system or component, except as specifically required by these Standards of Practice;
- Disturb soil, snow ice, plant life, debris or personal items that may obstruct access or visibility; or
- Perform air or water intrusion tests or other tests upon roofs, windows, doors or other components of the structure to determine its resistance to air or water penetration.

Prohibitions

While a home inspector is not required to perform the aforementioned activities, there are certain activities that home inspectors are expressly prohibited by law from performing. Home inspectors **shall not**:

- Offer or perform any act or service contrary to law;
- Report on the market value of the property or its marketability;
- Report on the advisability or inadvisability of purchase of the property;
- Report on any component or system that was not inspected;
- Report on the presence or absence of pests such as wood damaging organisms, rodents or insects. However, the home inspector may advise the client of damages to the building and recommend further inspection by a licensed wood destroying insect inspector;

- Solicit to perform repair services on any system or component of the home which the inspector noted as deficient, significantly deficient or unsafe in his home inspection report for a period of one year from the date of the inspection.

There is an additional prohibition in the Louisiana Home Inspectors Licensing Law written specifically for home inspectors that are also **real estate licensees**. Specifically, **R.S. 37:1490** provides that a person licensed pursuant to the Louisiana Home Inspectors Licensing Law shall not engage in, or be financially compensated for, any home inspection that is part of a transaction in which that person receives a fee, commission, or other valuable consideration while acting as a licensee under the Louisiana Real Estate License Law, R.S. 37:1430 et seq. Acts 2010, No. 195, §1.

PURPOSE OF A HOME INSPECTION

Home inspections are a critical part of the home buying and selling process. Knowledge in the field of property inspection has become invaluable, especially in light of stricter legislation on both state and national levels. To make the process hopefully go smooth, it is the responsibility of the buyer's agent to:

(1) Educate the buyer on the home inspection process and results.

(2) Help the buyer sort through the inspection report and decide what to ask the sellers to repair. (This would be a good time to remind the buyer that the buyer is purchasing a used home. A buyer that wants to proceed with the contract after reviewing the home inspection report may be well advised to forego the "little" things and to stick with the major concerns.)

Likewise, it is the responsibility of the listing agent to educate the seller about home inspections and how a home inspection might impact the sale of the seller's home. Failure to do so may have a direct impact on whether or not the sale goes through.

Buyer's Perspective

Buying a home is typically the largest single purchase transaction the average person will ever make. To avoid, or at least minimize unpleasant surprises and unexpected difficulties, and to protect their financial commitment, a buyer will want to learn as much as possible about a house before they buy it. A home inspection may identify the need for major repairs, as well as the need for maintenance to keep it in good shape. After an inspection, the buyer will know more about the house, which will allow for informed decisions made with confidence.

One important feature to remember about home inspections is that **it is essential to the buyer to make an offer on a property subject to the results of the home inspection**. This indicates that, if the inspection reveals some major problems with the property, the offer can be withdrawn without penalty. We will take a closer look at this when we review the content of the Louisiana Residential Agreement to Buy or Sell that is relative to the home inspection process.

Value to buyers:

- A pre-listing home inspection establishes the condition of the property during the contract stage.
- Allows for cited issues to be addressed within inspection time parameters and before closing.

Seller's Perspective

A home inspection can identify problems in the making and suggest preventive measures that might help the seller avoid costly future repairs. Additionally, a home inspection can give a seller the opportunity to make repairs that will put the property in better selling condition to attract and entice potential buyers. A seller should be aware of any problems or issues that may lower the sale price, so that they can be addressed prior to the sale.

As a listing agent, you can list a property with confidence knowing that major concerns about the condition of a property have been addressed. You don't want to lose a potential buyer because *their* home inspector found things wrong that could have been repaired or replaced. Closing quickly and with fewer surprises is an obtainable goal with a home inspection.

Value to sellers:

- A pre-listing inspection helps establish any deficiencies that need repair prior to listing
- The printed inspection report available to the buyer on site reduces concerns prior to his making an offer.
- A complete inspection reduces potential risk for hidden defects found after the sale. It also serves as a comparison to any buyer inspections.

Licensee's Perspective

Whether you represent the buyer or the seller, you will discover that making everyone familiar with the condition of the property before the sale eases tensions and builds trust during the sale process.

Value to licensee:

- A pre-listing inspection reduces problems related to this part of the transaction
- Any issues detected can be addressed prior to closing.

It should be noted that failure by a licensee to disclose a known material defect regarding the condition of real estate is a cause for censure, suspension or revocation of a license. Thus, if the licensee becomes aware of a material defect through a home inspection report, there is a duty to disclose such material defect.

THE REPORT

The rules and regulations of the Louisiana State Board of Home Inspectors require home inspectors to provide every client, or the authorized agent of the client, with a copy of the Standards of Practice and Code of Ethics for home inspectors before services are rendered. When this is not practical, copies must be attached to every completed inspection report.

Who Gets the Report?

Home inspectors are required to provide a written report of the home inspection to each person for whom the inspection is performed for compensation. The report must be provided **within five days** after the inspection has been completed. The home inspector is prohibited from disclosing inspection results or a client's personal information without approval of the client or the client's representative. Note that you must have written permission from your client to receive a copy of the home inspection report. This does not, however, give you carte blanche permission to further distribute the report.

What Can a Real Estate Licensee Do with the Report?

What you do with your client's home inspection report depends on the level of risk you are willing to take and the type of service you want to provide your clients. Remember that the report was prepared for a specific buyer. If the transaction falls through, the report effectively becomes outdated. Any future potential buyer should not have that report to rely on in determining the condition of the property. Having the report and using it for later transactions involving the property could lead to potential problems and liability on your part.

Remember that a home inspection experience is a confidential transaction between the home inspector and the person who purchased the report. The home inspector is liable only to the person who purchased the complete home inspection experience and report, NOT the other people that received a copy of the report from an agent. Providing your client with a report that was prepared for another buyer puts YOUR liability on the line – not the home inspector's, whose liability is contracted with the original client for whom the report was prepared.

As seasoned real estate licensees know, things can change in a minute during a real estate transaction, including the condition of a property. So, if you tell yourself that the report was just recently prepared, and you are considering passing it on to your next client, here is a word to the wise – PROCEED WITH CAUTION! (Oh, and one more thing – make sure your errors and omissions insurance premiums are up to date!)

RESIDENTIAL AGREEMENT TO BUY OR SELL

The Louisiana Residential Agreement to Buy or Sell contains language that is specific to home inspections. Completion of this section will almost certainly require an explanation, as it should, of the home inspection process and what the buyer can expect. This is especially true with first-time home buyers. From a liability perspective, your client should have a complete understanding of how the process works and what to expect. **In addition, the buyer should understand that the home inspection is not a stick with which to beat the seller over the head. While m**ost buyers prefer to overlook the minor stuff, and to hand the major things over to their agents for negotiation with the listing agent and the seller, **a buyer with second thoughts may want to use the results of a home inspection report to get out of a contract. It is your job to advise them on a reasonable course of action.**

The following is an excerpt from pages 4-5 of the Louisiana Residential Agreement to Buy or Sell. It is found on Lines 154 – 191 and is entitled **Inspection and Due Diligence Period. It is important that both the listing agent and the buyer's agent adequately educate their clients about the process contained therein and the options that are available. While this is true of all parts of the agreement, this is the part that is often referred to as the "deal maker or deal breaker."**

INSPECTION AND DUE DILIGENCE PERIOD: BUYER ACKNOWLEDGES THAT THE SALE PRICE OF THE PROPERTY WAS NEGOTIATED BASED UPON THE PROPERTY'S APPARENT CURRENT CONDITION; ACCORDINGLY, SELLER IS NOT OBLIGATED TO MAKE REPAIRS TO THE PROPERTY, INCLUDING REPAIRS REQUIRED BY THE LENDER UNLESS OTHERWISE STATED HEREIN. THE SELLER IS RESPONSIBLE FOR MAINTAINING THE PROPERTY IN SUBSTANTIALLY THE SAME OR BETTER CONDITION AS IT WAS WHEN THE AGREEMENT WAS FULLY EXECUTED.

Typically 10 – 14 days

BUYER shall have an inspection and due diligence period of (____) calendar days, commencing the first day after acceptance of **this Agreement** wherein, BUYER may, at BUYER'S expense, have any inspections made by experts or others of his choosing. Such physical inspections may include, but are not limited to, inspections for termites and other wood destroying insects, and/or damage from same, molds, and fungi hazards, and analysis of synthetic stucco, drywall, appliances, structures, foundations, roof, heating, cooling, electrical, plumbing systems, utility and sewer availability and condition, out-buildings, and square footage. Other due diligence by BUYER may include, but is not limited to investigation into the property's school district, flood zone classifications, current zoning and/or subdivision restrictive covenants and any items addressed in the SELLER'S Property Disclosure Document. All testing shall be nondestructive testing. SELLER agrees to provide the utilities for inspections and immediate access. If BUYER is not satisfied with the condition of the Property or the results of BUYER's due diligence investigation, the BUYER may choose one of the following options within the inspection and due diligence period:

Option 1: BUYER may elect, in writing, to terminate the Agreement and declare the Agreement null and void; or

Option 2: BUYER may indicate in writing the deficiencies and desired remedies and SELLER will within seventy two (72) hours respond in writing as to SELLER's willingness to remedy those deficiencies ("SELLER's Response").

Should SELLER in the SELLER'S Response refuse to remedy any or all of the deficiencies listed by the BUYER, then BUYER shall have seventy-two (72) hours from the date of SELLER's Response or seventy-two (72) hours from the date that SELLER's Response was due, whichever is earlier, to: (a) accept SELLER'S Response to BUYER'S written requests or (b) accept the Property in its current condition, or (c) to elect to terminate this Agreement. BUYER'S response shall be in writing. Upon BUYER'S failure to respond to the SELLER's Response by the time specified or BUYER'S electing, in writing, to terminate this Agreement, the Agreement shall be automatically, with no further action required by either party, ipso facto null and void except for return of Deposit to the BUYER.

FAILURE TO GIVE WRITTEN NOTICE OF EITHER TERMINATION OR DEFICIENCIES AND DESIRED REMEDIES TO SELLER (OR SELLER'S DESIGNATED AGENT) AS SET FORTH IN LINES 161 THROUGH 177 WITHIN THE INSPECTION AND DUE DILIGENCE PERIOD SHALL BE DEEMED AS ACCEPTANCE BY BUYER OF THE PROPERTY'S CURRENT CONDITION.

CONCLUSION

Should a buyer have a home inspection? Yes. Do home inspections kill real estate deals? No. It is the job of the home inspector to inspect houses and write reports on what is found. If blame must be assessed, it is problematic houses that kill deals.

While you should always strive to give your clients the best possible service, you borrow real trouble by trying to be helpful in areas for which you are not qualified. Unless you are an inspector, lawyer, appraiser or an engineer, you should not try to take on their tasks and responsibilities believing that you are providing a service to your clients. "I don't know" is a valid response, especially when followed with "but I'll help you find out." You actually enhance your value to the client by being honest about your knowledge and helping them to locate the appropriate competent professional to answer their questions.

Sample Home Inspection Report

March 2, 2012

Inspection Date: March 1, 2012
Inspection No: 123456789

HOME INSPECTION REPORT

For
Mr. and Mrs. Prospective Buyer
6543 Any Street
Baton Rouge, Louisiana

PURPOSE OF INSPECTION: The general purpose of this limited, visual inspection, evaluation and report is to generally educate the clients about the general condition of the building being inspected, and to identify, for the client's knowledge, readily accessible, visible and apparent defects and/or conditions that, in the opinion, judgment and experience of the "Inspector", are not performing their intended function, without regard to life expectancy, on the date of the inspection, and which may adversely affect the function and/or integrity of the items, components and systems inspected, with the health and safety of the dwelling occupants in mind.

SCOPE OF INSPECTION: The limited, visual inspections, evaluations and reports for this building are intended for the exclusive use of the "Client(s)" only. The inspection is NOT an engineering evaluation of the property or structures, and will be performed in conformance with the minimal applicable "Standards of Practice" of the "Louisiana State Board of Home Inspectors." A copy of these standards, with the general limitations and exclusions, is included within the "Client(s)" report.

1. THE INSPECTION:
This inspection was held on March 1, 2012 and all of the utilities were turned on for the inspection. Attendees at the inspection were the inspector, the client and the selling real estate agent. The home was occupied with restricted accessibility for the inspection, and the temperature was approximately 80 degrees at the time of the inspection.

2. GENERAL INSPECTION OBSERVATIONS:
The inspection indicated a multi-story, single family residence on an asphaltic suburban street, of wood frame construction on an at-grade concrete and elevated pier and beam foundations, having a double detached garage. It is estimated that this original building is approximately 90+ years old. Multiple building additions and/or renovation have been added to the original structure. A non-code compliant apartment is installed above the living area of the house and contains a minimal living area and bathroom. Access to the apartment is granted via a wooden stairway and roof walkway installed in the rear of the building.

3. SITE INSPECTION:
An inspection of the Landscaping, Lawns and Grounds indicated that the vegetation was generally healthy and growing and that the ground generally slopes away from the building except along the perimeter of the front of the building. There were no trees in close proximity to the building, which were observed to be adversely affecting or impacting the structural performance. No canals or streams are adjacent to the property, and there was no evidence of high water or flooding apparent.
Incidental Concrete is the concrete poured without footings or subgrade preparation, being the driveways, walkway, porches and A/C slabs. Usually 3 ½" in thickness and without a sand bed or moisture barrier, and often without steel reinforcement, the incidental concrete is much more susceptible to "*shrinkage*", "*stress*", "*temperature*" and "*settlement*" cracks than the building foundation.

"Shrinkage" cracks are normal and due to the drying (*curing*) process when the concrete was poured and are generally of little significance as they usually penetrate only the mortar surfaces.

"Stress" cracks usually are caused by the application of loads greater than the concrete can support.

"Stress" cracks normally occur during the first few months after the slab is poured, while strength in the slab is low, and will typically become dormant with time.

"Temperature" cracks are normal and are caused by the thermal expansions and contractions within the concrete slabs.

"Settlement" cracks are usually due to the subsidence or consolidation of the soils underlying the building, and will normally extend completely through, and from edge to edge of the slab.

Concrete cracks are classed as either dormant (*cracking activity has ceased*) or active (*cracking activity may be expected to continue*). It is very probable to discover some degree of cracking in every incidental concrete slab. However, this is a normal occurrence, and unless specifically noted, the observation of *"shrinkage"*, *"temperature"* or *"stress"* cracking will normally have only minor significance on the ability of the slab to support the normally applied loads. Of primary importance with these cracks is to seal the surfaces against water intrusion, and the potential for further damage. The degree of cracking observed in the incidental concrete is considered to be *about* average.

The driveway was surfaced with concrete. Walkways were surfaced with brick. The front and rear porches are constructed of brick and elevated wood with a brick patio, respectively. The left side porch is constructed with an elevated concrete slab. The rear porch has a wood framed roof covering installed above the porch. The incidental pavements appear to *typically* slope away from the buildings and the surfaces are *relatively* uniform and free from *significantly* cracked or missing areas.

There is an in-ground concrete swimming pool installed in the rear lawn that was not inspected. Wooden ornamental arbors and a wooden fence are installed in the rear lawn.

In the rear lawn, a pool house and exterior storage room are installed along the left property line and are attached to the garage.

4. BUILDING FOUNDATION and **STRUCTURAL INSPECTION:**
The foundation for this building is an elevated pier and beam system and an at-grade concrete slab at building additions on the front and right elevations of the original building. *During the inspection of the crawl space beneath the house, the inspector requires a minimum of 12 inches of clearance for access and sufficient clearance to "turn over" beneath the building, and does not crawl through standing water or open or hanging electrical lines. The inspector is not permitted to deflect or relocate water, gas or plumbing lines or ducts. In-accessible areas, such as listed above, were not inspected. The determination of the presence of, or damage caused, by termites, or other wood destroying insects or organisms, is specifically excluded from this inspection and report.*

The perimeter of the building has masonry foundation walls *(with vents)* located on the front and left sides. Accessibility to the crawl space for inspection is limited to openings approximately 10-12 inches high along the right sides. Portions of the available access have been blocked by screens, lattice, fencing, shrubs, ground soil levels, or other materials. *Portions of the crawl space beneath the house are in-accessible to a visual inspection, due to these and other restrictions.*

The *visible and readily accessible* components of the sub-structure were observed to determine apparent structural serviceability. In-accessible areas were not inspected.
The brick masonry piers are approximately 12 - 16 inches high, and there are metal termite shields on the top of the piers. Resting upon the piers are wooden beams approximately 6" (*vertical*) x 6" (*horizontal*),

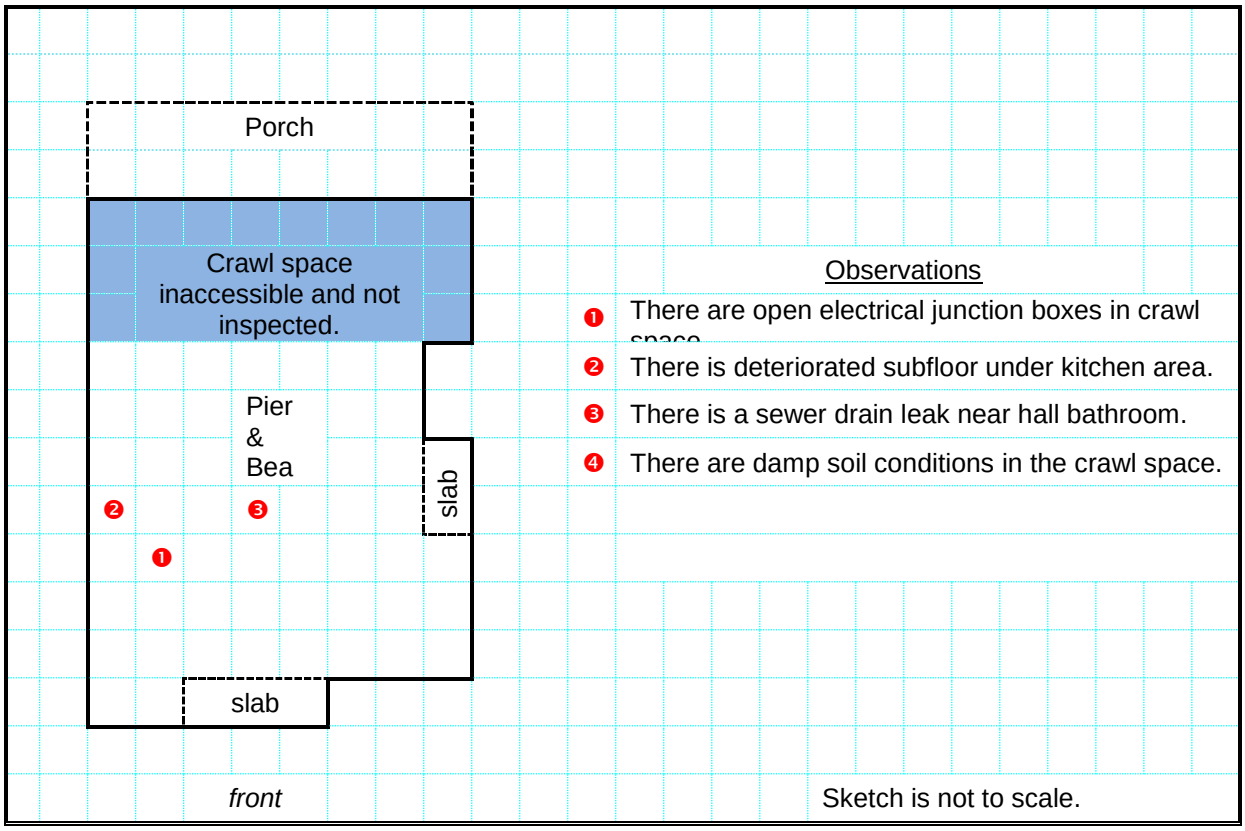
extending about the perimeter and beneath some of the load bearing partitions of the house. The diagonally cut *(for stability)* wooden sub-flooring boards *(approximately 3/4" thick)* are set upon wooden 2" x 8" and 2" x 10" flooring joists at a typical 24" spacing. Cross bracing was observed between the joists. There was no insulation beneath the house.

Some of the inspected piers were tilted or settled slightly, as a result of soil settlements and due to movements and temperature expansions, however, the degree of deterioration observed is not considered to represent *significant structural failure* of the building's foundation. The settlement or the subsidence and consolidation process of the soils underlying the foundation may require up to 30 years completing, with the majority of the consolidation generally occurring within the first few years. Depending upon the composition, the percentage of voids and the moisture content of the underlying soils, the "settlement" may be dormant, or still active. The determination as to the expected amounts of residual settlements requires Geo-technical (*soils*) testing and analysis and is recommended. Some settlements can be attributed to water, either from drainage or water leaks, undermining and eroding the bearing of the foundation. *It is important to prevent drainage water from flowing beneath the house, in as much as is practical.*

These settlements are a *probable* cause of interior wall or ceiling cracking, or door and window separations or mis-alignments and floor un-levelness that may be observed. While this interior damage can be cosmetically repaired, there are no assurances that the building movements and settlements will not continue, as the causes are variable, and the repaired situation may return. If permanent repairs to the interior *(and exterior)* are essential, then it is recommended that the foundation be stabilized by a reputable foundation repair contractor.

Beneath the house, there are multiple electrical lines and water and gas plumbing lines. Some of the electrical lines hang loosely, and there are old styles of wires, with "fabric" *(armored cable)* insulation some of which may be frayed or damaged. During the life of this home, the electrical system has *probably* been updated, and some of these older wires *may* have been abandoned. The electrical system is likely to be a combination of original and updated wiring. This wiring beneath the house can be *hazardous,* and caution is urged in dealing with the electrical system of this house.

The galvanized plumbing lines are rusted, and the cast iron drains are a brittle material, presenting a leakage potential. The plumbing system appears to have been updated and/or repaired with PVC drain lines and copper and plastic water supply lines observed beneath the house as well. Particular locations of observed leaks in the plumbing system observed have been recorded in the inspection report summary, however under certain conditions, other leaks may be present.



With consideration to the vintage and style of construction of this house, the following recommendations, beyond the scope of this inspection, are offered:

- Have a *complete*, *professional* and *independent* termite and wood destroying insect inspection made on this house. Moist conditions, as exist under elevated structures, may promote insect activity.
- Have an electrical system safety inspection performed by a licensed electrician.
- Have a licensed plumber pressure test the plumbing lines (*especially the gas lines*) for leaks, and check any shower pans and tub drains for leakage.
- Prohibit rainwaters from draining, and ponding, beneath the house.

5. EXTERIOR INSPECTION:
This building is of wood frame construction with horizontal wood siding being the predominant exterior siding materials. The vapor retarder behind the exterior siding, if any, was not visible for inspection.
There are wood columns on this home, and these columns appear to be generally plumb and square with little evidence of *significant* deterioration visible.

The trim, fascias and soffit on this building are *typically* constructed of wood. These were visually inspected and found to be in *generally* serviceable condition. The exterior walls and trim *appear* to be serviceably sealed; *the caulk is generally poor, dry and brittle.* The exterior paint quality appears to be *generally* poor and becoming un-serviceable. With the exception of those items that are specifically specified in the *inspection report summary*, the exterior items inspected were considered to in be *generally* serviceable condition.

The wooden and metal exterior doors are constructed with thresholds and weather-stripping. Wooden windows have been used on this building. Some of the wooden windows are fixed and do not open. The doors were inspected and were found to operate serviceably. The operable windows are painted closed and do not open.

INSPECTION FOR POTENTIAL MOISTURE INTRUSION:
Nearly all homes inspected have some minor exterior maintenance deficiencies. Of primary importance when maintaining your home's exterior is to keep the moisture out. Moisture that enters the building can cause wood deterioration and provides a damp environment that may attract wood destroying insects and provide conditions conducive for fungi (mold) growth. Interior wall cavities are concealed and are NOT included within the scope of in this inspection or report. If wood deterioration due to the potential of moisture intrusion is noted in the inspection summary or, if water stains were observed in the interior of the building, we recommend that a mold sample be conducted to identify potential contaminates. *Note that the inspection or the reporting of, the presence or the concealed damage due to, wood destroying insects or mold is not within the scope of this inspection or report*.
To reduce the amount of *"moisture intrusion"* into the building, the exterior should be completely and properly sealed. During the course of this inspection, the following were inspected for proper *"moisture intrusion"* reduction;

- The ground soil levels should be maintained 4 to 8 inches below the bottom of wood siding, the brick and the top of the foundation slab.
- Prevent vegetation and planting beds from growing into, or over, bottom of wood siding, the brick and the top of the foundation slab.
- The weep holes at the bottom of the brick allow condensate to drain from the air space, and should be free or debris.
- The gaps and openings around the doors and windows and at the different material joints and penetrations should be completely sealed and caulked, with the caulk being pliable without gaps or voids.
- Door weather-stripping and thresholds should be completely sealed and caulked, with the caulk being pliable without gaps or voids.
- The vertical joints in horizontal exterior siding should be completely sealed and caulked, with the caulk being pliable without gaps or voids.
- A good weather protective paint or varnish finish should be maintained on exterior wood.
- Much of the decorative exterior wood trim is not treated wood, and should be completely painted and sealed and caulked, with the caulk being pliable without gaps or voids, if replacement of the trim becomes necessary, paint the backside and ends of the wood before installing.
- The roofing shingles should be pliable and without cracked, curled and loose or broken shingles.
- The gaps and openings around the roof penetrations and flashings, should be completely sealed and caulked, with the caulk being pliable without gaps or voids.
- Drip edges at the roof edge will help direct water away from the wood fascias and soffits.
- Gutters and downspouts should be kept clean and leak free to direct water away from the wood fascias and soffits.
- Proper ventilation is important in reducing moisture in the attic and crawl spaces
- Firewood or debris should not be stacked against the building and there should be no wood in contact with the foundation slab perimeter.

Additionally, the following have been observed:

- ☑ Wood deterioration, due either to *"wood-destroying insects"* or*" moisture damage"*, have been observed as described in Section A of the Inspection Report Summary.
- ☑ Evidence of apparent *"moisture intrusions"* on the interior have been observed as described in the Inspection Report Summary.

It is recommended that deficiencies be serviceably repaired, and that the client(s) have an independent inspection for wood destroying insects and organisms preformed.

6. ROOF COVERING, FLASHINGS, GUTTERS and **DOWNSPOUT INSPECTION:**
Asphaltic or fiberglass shingled composition roof surfaces *typically* exist in one of three stages during their functional life:

1. In the first or earlier stage, the shingles are generally pliable and flat. Shingles in this stage are indicated as being in **"good"** condition, and this period will normally range from the initial installation to about 4 to 6 years.
2. When the shingles begin to become "brittle", or to "crack and split" or "curl" at the edges, they are considered to be in the second stage, and are rated as being in **"fair"** condition. This period may typically begin as early as 3 to 5 years and extend through 8 to 12 years. These shingles may be readily damaged by falling debris or limbs, and once "cracked or split", occasional leakage can occur in spot areas. The roofing nail heads may also begin to "pop" and become exposed through the shingles. Some maintenance may be required to seal the "cracks and splits" and the "popped" nail heads. The functional life of the roof surface may be extended by not walking on these brittle shingles.
3. In the final and last stage of the shingle's functional life, the shingles become brittle, cracked, curled and cupped. Bead loss, evident on the ground and in the gutters, is another indication that the shingles have reached this stage. Roofing surfaces which are in this final stage are indicated as being in **"poor"** condition, and may be easily damaged by wind and rain, and leakage may occur at any time, indicating that the replacement of the shingled roofing surface will be justified.

The **roof** on this structure is pitched and gabled on the original roof and portions of the building additions and low-sloped over the rear porch and front foyer region. The roof covering material is primarily Architecturally Styled fiberglass shingles. The manufacturer's suggested *normal* life expectancy of this type of roof covering may be from 25 to 30 years, when properly maintained. However in Louisiana, with the hot sun and wind driven rains, a life expectancy from 22 to 25 years would be more realistic. There is a rolled asphalt roof covering system over the low sloped roof systems with these types of roof covering typically having a 12 to 15 year useful life expectancy, with proper maintenance. Clay tile ridge caps are installed. On the rear porch, a standing seam, metal panel roof covering is installed. This type of roof covering may last 30 to 40 years depending on quality of material used and proper maintenance.

Our region of the country often experiences high intensity wind driven rains, which *can* penetrate a roof surface in any of these conditions. The necessary ridge, gable and turbine vents and the plumbing and gas vents and flashing are all susceptible to water intrusion during these weather conditions.

There are some shingles manufactured which have longer life expectations, and factors such as a southern exposure, shaded areas and wind breaks can create varying conditions of the shingles on the same roof. *The flashing around fireplaces, vent pipes and other roof penetrations can also deteriorate with time, and require periodic maintenance such as recaulking or sealing. For older roofs, it is recommended that a repair proposal for a leak free roof be obtained from a reputable roofing contractor.*
The roof surface on this building has an *estimated* and *approximate* age of years and the condition is considered to be poor; the shingles are curled, cracked and brittle, and the condition is commiserate with the age of the shingles. *The roof appears to be at the end of its useful life.*

Attic ventilation is provided by gable vents. The valley roof flashing is galvanized metal. Both chimneys are of masonry construction. The front chimney does not have a functional damper and is open to the exterior. Each chimney has a cap at least two (2) feet above the roof ridge line or approximately eight (8) feet above the roof line. It *appears* that the roof protrusions are *generally* properly flashed and the vents properly penetrate the roof and appear to be sufficiently sealed. There are overhanging tree limbs requiring trimming. The roof inspection was performed accessing the roof surface with an exterior stairway.

7. ROOF STRUCTURE, ATTIC and **INSULATION INSPECTION:**
The inspection of the **attic** provides information concerning the quality of construction and the structural integrity of the building as well as exposing potential fire or safety hazards and possible electrical and plumbing system deficiencies. The insulation in the attic is composed of blown fiberglass insulation approximately 6 to 8 inches thick. *(Insulation manufacturer recommendations for attic insulation in Louisiana are a value of R-30, which is approximately 8" to 9" of insulation.)* Insulation that has settled will have lost some of its insulating abilities. The vapor retarder beneath the insulation, if any, was not visible for inspection. The heating and cooling ductwork in the attic is insulated and supported. There are no *apparent* blocked air vents and the plumbing vent pipe joints appeared to be tight and secure.

The *readily accessible* and *visible* wooden structural components of the roof and ceilings, being the ridge beams, roofing rafters, sheathing, supports and ceiling joists, were observed. The condition, material sizes and spacing *appeared* to be *generally* adequate to support the normal dead loads and the applied live loads and wind forces to which this structure may be *normally* subjected unless otherwise noted in the inspection summary report.

8. DOUBLE DETACHED GARAGE INSPECTION:
The double detached garage is constructed with concrete flooring and has an attached storage room. The exterior siding is horizontal vinyl siding and horizontal wood siding and roofing materials are the same as the main building and the floor is depressed from that of the main building and there is a switched overhead light.

The garage door is of metal material and the door springs, rails and locks *appear* to be safe and functioning properly. There is no weather-tight gasket at the bottom of the garage door; evidence of water intrusion was evident near the door. The Craftsman automatic door opener *appears* to function safely and serviceably, and reverses upon meeting reasonable resistance.

Comments concerning compliance to **Governmental Building Codes and Regulations** are not within the scope or standards of practice of this inspection. The building codes and regulations are "*dynamic*" and change frequently, *however*, providing that a component complied with the applicable codes and regulations at the time of original installation, and has not been significantly modified since original installation, then that component is considered to be in compliance with the codes and regulations, *unless*, renovations, remodeling or additions have occurred which affect the component. Examples are:

1. Current plumbing codes require floor mounted, gas fired, water heaters to be elevated a minimum of 18 inches above the floor.
2. Current electrical codes require that electrical receptacles within 6 feet of water service be GFCI *(Grounded Fault Circuit Interrupter)* device protected.

Renovations, remodeling or additions must comply with the codes and regulations which are applicable and the time. In performing a home inspection, it is not possible to determine the time periods of modifications or of the codes and regulations which were in effect at the time of the modification.

9. ELECTRICAL SYSTEM INSPECTION:
The electrical system inspection noted that the electrical service is underground and that the electrical power is provided with a 200 amp, 240-volt service. The main service panel is located in the right exterior wall and has circuit breakers. There is an exterior sub-panel providing service to the air conditioning equipment and an exterior branch panel adjacent to the main panel. A pool pump electrical panel is installed near the pool equipment.

During the exterior electrical inspection, the following were inspected and found to be serviceable *except as noted in the inspection report summary.*

- A copper ground rod and a secure grounding connection.
- The service entrance galvanized conduit was inspected and observed to be generally serviceable.
- Exterior receptacles have weather resistant covers and accessible receptacles inspected and tested, were *generally* properly "hot" and grounded with the correct polarity *except as noted in the summary.*

Noted during the interior electrical inspection; the following representative number of accessible switches, receptacles and components were inspected and found to be serviceable *except as noted in the inspection report summary.*

- Light circuits *randomly* tested, were *generally* operational.
- *Accessible* receptacles inspected and *randomly* tested, were *generally* properly "hot" and grounded with the correct polarity *except as noted in the inspection report summary.*
- *For Client's Information: The original electrical service provided in this residence was an "un-grounded" 2 wire system, which has been updated by the utility company to a three wire grounded service. There is a combination of the original wiring and updated grounded wiring in evidence. There are the original 2 prong receptacles, which are not grounded, and there are 3 pronged receptacles in the 2 wire system, and some of these 3 pronged receptacles are not grounded. This is a normal condition in homes of this vintage, and it is in general conformity with the prevailing codes.*
- GFCI (*Grounded Fault Circuit Interrupter*) device protection is provided.

GFCI (Grounded Fault Circuit Interrupter) device protection was available, but was not generally required by the building codes until approximately 1987. Any references to GFCI devices are informational only. Further information pertaining to the electrical system inspection may be found in the *inspection report summary*.

Aluminum branch circuit wiring was permitted in residential construction during the approximate 1965 to 1973 time period. Aluminum wiring for the utility company service and for the 220 volts appliances and heaters is generally permissible. Aluminum branch circuit wiring was not observed during this inspection, however, that does not preclude the possible existence of aluminum wiring in this structure.

10. PLUMBING SYSTEM INSPECTION:
The plumbing system was inspected to determine the adequacy and the serviceable operation of the components and to detect any *visible and apparent* water leaks. The toilet(s) *appeared* to flush and refill within 60 to 90 seconds. The lavatories, tubs and fixtures *appeared* to drain serviceably, and faucets (both hot and cold) have a serviceable water flow. The lavatory pop-ups and the tub drains (*when installed*) *appeared* to be serviceable. There were no significant *visible or apparent* plumbing system deficiencies observed, *except as noted in the inspection report summary.*

NOTE: The gaskets and sealing materials in "older" plumbing fixtures, such as in this house, can deteriorate over time. The plumbing system comments contained in this report are valid only as of the day of the inspection. Latent defects or deficiencies in plumbing fixtures and piping that are not readily visible or accessible during the inspection are excluded from the scope of the inspection. Older houses may have deteriorated lines beneath the slab or ground soil level of pier and beam houses, for example, that are not readily visible for inspection. Should the client be concerned about concealed or inaccessible plumbing lines, a plumbing inspection of the sewer line interiors by a reputable, licensed plumbing contractor is recommended.

The tank type water heater is a gas fired RUUD *(unknown age)* unit having a 40 gallon water tank capacity. A pressure temperature relief valve is located on the tank, as required. There was a collection pan under the water heater.

A second tank type water heater is an electric RUUD *(1981)* unit having a 20 gallon water tank capacity.

A pressure temperature relief valve is located on the tank, as required. There was no collection pan under the water heater.

There was a draft diverter on the gas unit, and no air flow could be felt during operation. Ventilation *appears* to be adequate and the gas piping was black iron, with a flexible gas piping connection to the heater and there is a gas shut-off valve near water heater. The pilot light appeared to be functional and the burner did not have any *visible* evidence of excessive corrosion, dust, flaking or cracks.

The hot and cold water supply pipe material is copper, plastic PVC, plastic PEX and galvanized iron and the water temperature produced at the faucets was sufficiently hot. The drain piping system appears to be constructed primarily with cast iron and PVC piping materials. The water heater appeared to function serviceably, and there was no *visible* evidence of current leakage except as noted in the inspection summary report.

11. HEATING *(HVAC)* SYSTEM INSPECTION:
The heating and cooling systems commonly referred to, as the "*HVAC"* system (*heating, ventilating and air conditioning*) is comprised of two central heating and cooling system(s). The inspection of the heating and cooling system is limited to a determination of *generally* serviceable operation, as of the date of the inspection. This inspection is not a determination of the remaining service life expected from the system components or of compliance to Governmental Building Codes or Regulations. Temperatures were approximately 80 degrees at the time of the inspection.

SYSTEM #1: Front
Heating is provided by a gas fired "Consolidated" *(1995)* "forced air" horizontal furnace with an input capacity of 60,000 BTU. The inspector observed that the fan and the thermostat both *appear* to operate serviceably and that the ductwork is supported and insulated.

The gas-fired furnace *appears* to be vented adequately and the gas piping is black iron with flexible gas piping connections. There is a gas shut-off valve near the furnace and the thermocouple and pilot light *appear* to be serviceable.

SYSTEM #2: Rear
Heating is provided by a gas fired "forced air" horizontal furnace with an unknown input capacity. The heater was inaccessible due to attic framing and HVAC ducts. The inspector observed that the fan and the thermostat both *appear* to operate serviceably and that the ductwork is supported and insulated.

12. AIR CONDITIONING (*HVAC)* SYSTEM INSPECTION:
SYSTEM #1: Front
Cooling is provided by an electrical split system "York" *unknown age* air conditioner with an approximate capacity of 36,000 BTU, which is equivalent to 3 TONS. The "Allsytle" (*unknown age)* evaporator coils have a capacity of 3 TONS. Conditions permitting, the inspection of the system included a determination of acceptable electrical current drawn by the compressor, and a temperature drop across the evaporator coils to determine acceptable refrigerant levels.

The exterior Compressor/Condenser unit was mounted on a flat stable surface with an electrical disconnect within reach. It was *generally* clean and level and operating smoothly and quietly.

The interior evaporator coils were *generally* clean and had a condensate drain pan with a float shut-off control. During the unit's operation, it was observed that the refrigerant level was *apparently* serviceable. It appears that the cooling system is operating serviceably.

SYSTEM #2: Rear
Cooling is provided by an electrical split system "York" *2004* air conditioner with an approximate capacity of 48,000 BTU, which is equivalent to 4 TONS. The evaporator coils were inaccessible due to attic framing and HVAC duct installation. Conditions permitting, the inspection of the system included a determination of acceptable electrical current drawn by the compressor, and a temperature drop across the evaporator coils to determine acceptable refrigerant levels.

The exterior Compressor/Condenser unit was mounted on a flat stable surface with an electrical disconnect within reach. It was *generally* clean and level and operating smoothly and quietly. During the unit's operation, it was observed that the refrigerant level was *apparently* serviceable. It appears that the cooling system is operating serviceably.

It is recommended that the Heating and Cooling Systems be professionally serviced and cleaned annually to provide more efficient operations and to help extend the service life of the components. The *"cloth duct tape"* often used in the attic to seal the duct, plenum and transition connections will deteriorate over time, and create inefficient air leakage into the system. Clean filters are necessary for efficient operation and should be changed at least monthly.

- The Cooling System components should be serviced and the components cleaned and checked for air and refrigerant leakage and the system properly charged with refrigerant and oil prior to the *cooling season*.
- Prior to the *heating season* the Heating System should be serviced and the components cleaned and checked for air leakage, with any rust removed from the heat exchanger *(gas fired systems)* and the burners, and the unit checked for defects in the heat exchanger.

13. INTERIOR INSPECTION:
The interior rooms inspected were the:

- living and dining areas
- den
- kitchen
- 3 bedrooms
- 3 bathrooms
- foyer, hallways, storage and laundry rooms
- apartment
- pool house

Visually inspected in these rooms were the composition and condition of the ceilings and walls *(typically gypsum dry-wall)* and flooring together with the operation of exterior doors and a *representative (random)* number of the windows. The presence of HVAC registers and a switched, overhead light was observed in each room and the location, grounding and polarity of a *representative (random)* number of accessible electrical receptacles was evaluated, as was the operation of ceiling fans. In addition to the items listed above, in the kitchen and baths the cabinets, countertops and the water flow *(hot and cold water)* were inspected. The electrical receptacles within 6' of water services were inspected for ***GFCI*** devices and the plumbing was inspected for any *visible and apparent* water leakage evidence. In the bathrooms, the inspection included heaters, exhaust fans and ventilation, as well as the operation of installed plumbing fixtures. The presence of smoke detectors was not observed.

Please be aware that the use of "lead based" paint was permitted for homes built until about 1978. Testing for and the detection of the presence of "lead based" paint is beyond the scope of this home inspection. Should the possible presence of "lead based" paint be of concern for your family, and the age of your home falls within this time period, professional testing facilities are available which can confirm the presence of "lead based" paint.

In the kitchen, the operation and serviceability of the built-in appliances and equipment was evaluated, and with the exception of those items specifically listed in the *inspection report summary*, the items inspected were considered to be *generally* operating serviceably at the time of this inspection:

- **Jenn Air** Cooktop
- **Jenn Air** Oven
- **Jenn Air** Exhaust fan and light
- **Kitchen Aid** Dishwasher
- **ISE** Disposal
- **Sub-Zero** Refrigerator

The inspection of each fireplace and chimney disclosed a fireplace constructed of masonry with a damper. Some nominal cracking in the brick is a normal occurrence, and is not considered to be a significant fire hazard unless noted in the *Inspection Summaries*.

The stairways on the exterior of this building are surfaced with wood and the steps are *generally* uniformly spaced without *substantial* dimensional variances. The nose should be *(by current code requirements)* a maximum of 1", the tread width a minimum of 10" *(with the nose)*, and the riser height a maximum of 8 ¼". This stairway *generally* meets these requirements. There is a handrail with the top of the handrail located between 30" to 36" above the treads.

14. REPORT OF THE BUILDING'S GENERAL CONDITION:
Based entirely upon the *readily accessible, visible and apparent* aspects of this inspection, this building is considered to have been originally constructed in a manner which *generally* conformed to the *minimum* construction material and skill standards ordinarily practiced by reputable contractors in this locality, at the time it was built. The *readily accessible, visible and apparent* observations indicate that this building is *generally* in serviceable condition, commiserate with the age of the building, and that the depreciation that has been allowed, and the degree of care and maintenance exhibited are *below* normal, for the age of this building.

15. INSPECTION SUMMARY REPORT:
During the course of this home inspection the below listed components and items were determined, in the opinion of the Inspector, to be un-serviceable or un-satisfactory. Should any *significant* deficiencies in the "components" or "mechanical systems" be reported, it is recommended that reputable and licensed contractors be engaged to provide repair proposals for properly operating "components" or "mechanical systems".

A. Deficiencies and Defects of Component Materials: There were no *visually or readily apparent or significant* component deficiencies or material defects observed, except:

Wood deterioration, due either to *"wood destroying insects"* or*" moisture damage"*, was observed at the following locations:

- ☐ On the exterior stairway and wooden handrail of the roof walkway, the rails and lattice panels are deteriorated in random areas.
- ☐ The garage door trim is deteriorated.
- ☐ On the rear exterior storage room, the siding and trim are deteriorated.

- ☐ There are multiple locations where the lap siding on the left side elevation wall near the wall offset is deteriorated.
- ☐ The siding near the left side porch is deteriorated.
- ☐ The siding at the bottom of the left side wall is deteriorated.
- ☐ The bottom of the front door is deteriorated.
- ☐ The siding, trim and wall features below the dining room window are deteriorated.
- ☐ The bottom of the front porch siding is deteriorated.
- ☐ The bottom of the right elevation wall siding is deteriorated.
- ☐ The structural beams of the rear porch are deteriorated in three locations.
- ☐ The fascia at the rear elevation of the pool house is deteriorated.
- ☐ The subfloor beneath the kitchen floor is deteriorated.
- ☐ Wooden framing material is in contact with the driveway sidewalk near the garage.
- ☐ There are rust stains at nail locations of the exterior lap siding on the left elevation walls. It appears that the wrong type of nail was used to secure the siding.
- ☐ There is plant growth on the front left roof covering (shingles). There are tree limbs in contact with the roof. The valley flashing does not properly extend paste the fascia on the left side of the house. The asphaltic roof surface condition is considered to be poor; the shingles are curled, cracked and brittle. *The roof appears to be at the end of its useful life.*
- ☐ There appears to be water intrusion through the walls and doors into the garage. There is no weather-tight gasket at the bottom of the garage door; evidence of water intrusion was evident near the door, as well.
- ☐ There is a roof leak over the rear storage room and evidence of water intrusion into the room.
- ☐ Due to the multiple roof breaks and attic configuration, poor attic ventilation is present.
- ☐ There is water damage to the baseboards of the right side master bedroom near the doors.
- ☐ In the rear master bedroom, there is a pronounced floor deflection. The conditions associated with this circumstance are unknown as the crawl space in this region was inaccessible.
- ☐ There are sloping floors throughout the house.
- ☐ The rafters supporting the rear porch roof are undersized creating deflection in the structural members.
- ☐ The front den fireplace is open without capability of closure; the unit is in need of repair prior to use.

B. Inoperable Systems or Equipment: Mechanical equipment and systems inspected were observed to be in *generally* serviceable operating condition, except:

Electrical System: *(from the operation of a representative number of accessible components)*

For client's information*: The original electrical service provided in this residence was an "un-grounded" 2 wire system, which has been updated by the utility company to a three wire grounded service. There is a combination of the original wiring and updated-grounded wiring in evidence. There are the original 2 prong receptacles, which are not grounded, and there are 3 pronged receptacles in the 2-wire system, and some of these 3 pronged receptacles are not grounded. This is a normal condition in homes of this vintage and is in general conformity with the prevailing codes. "Tube and knob" wiring evidence was observed in the attic.*

- ☐ Electrical receptacles do not appear to be operational in the sunroom.
- ☐ There is an open electrical junction box near the light of the pool house.
- ☐ In the pool service panel, the capacity of the panel is questionable due to the amount of service loads imposed. The condition should be evaluated by a licensed electrical engineer. The pool panel cabinet is rusted.
- ☐ In the main service panel, there is an improperly terminated service wire; there are rusted breaker/wire connections; there is a missing fastener for the interior dead panel cover.
- ☐ The secondary service panel is inaccessible for inspection due to restrictions by the air conditioning condenser unit. The cover panel is loose.

☐ There are open electrical junction boxes at the right side wall near the rear porch, rear storage wall, the attic, and beneath the house.

Plumbing System:
☐ In the utility room, the waste plumbing vent does not properly extend over the roof, as required.
☐ In the pool house, the sink drain line is not properly vented.
☐ In the front master bathroom, the toilet is loose. There is corrosion of the tile and wall of the shower.
☐ There is a water leak on the right elevation, hose bib.
☐ There is a sewer drain leak beneath the hall bathroom.

Appliances:
☐ The service water piping at the water heater in the pool house is not properly installed.
☐ There is rust on the service piping and gas vent of the front water heater.

C. Items in need of "*Eventual"* Maintenance: There were no *visually apparent or significant* "eventual" maintenance requirements observed, except:
☐ The exterior siding is cracked and split on the rear elevation wall of the apartment.
☐ There are cracked windowpanes on the left side of the house.
☐ There are damp soil conditions in the crawl space beneath the house. Consideration of the installation of a plastic sheet material is recommended to restrict moisture release from the soil.
☐ The ground slopes beneath the house around the front of the building.
☐ Vines, shrubs and trees are in contact with the exterior façade. Where practical, remove the vegetation a nominal 2 feet to allow moisture to dry along the perimeter of the house.
☐ The walls of the house appear to be conducive to water retention due to the environment and physical construction. Where practical, we recommend that you develop a water management plan to mitigate water damage.
☐ Due to the age and condition of the plumbing materials in the crawl space, we recommend that a pressure test be performed on the gas and water lines and a hydrostatic pressure test be performed on the sewer line to verify integrity of the lines.
☐ The exterior paint condition is poor and becoming un-serviceable.
☐ The exterior caulk is generally poor, dry and brittle.

D. Other Observations:
- There are water stains on the ceiling of the pool house.
- The building water supply valve is located on the front lawn.
- The gas service valve is located on the right side of the building.
- There is a ceiling patch in the rear master bathroom.
- Aluminum paint was observed on the attic framing near the rear fireplace; this condition is typical in applications after a fire.

E. Items observed and considered to be <u>NORMAL</u> in the aging process of this home:
- The wooden columns were observed to have <u>normal</u> material drying cracks.
- The roof surface was observed to have some <u>normal</u> unevenness.
- The attic insulation is settled.

F. Moisture Intrusion: The client(s) are referred to the body of the report section pertaining to **"**Inspection for Potential Moisture Intrusion" in Section 5, Exterior Inspection. Items such as eave deterioration, ceiling and wall stains, and fungi odors or growth are representative of water entry into the building and may require further intrusive investigations.

G. Components that were <u>NOT</u> inspected: *(See limitations and exclusions)*

- Sub-surface components; sprinklers, fountains, yard lighting, drainage systems, detached structures, decks or patios and intercom, security, or audio systems were **<u>NOT</u>** inspected.
- In-accessible areas **<u>NOT</u>** inspected include; interior cavities of walls, areas obscured by stored or personal belongs *(ie: attics, closets and storage areas),* and areas with accessibility limitations such as the exterior edges of attics.
- The apartment and associated bathroom were not inspected due to restrictions by personal items.
- The left side of the garage, pool house and exterior storage due to inaccessibility from fencing materials.
- The rear HVAC equipment in the attic due to attic framing and ducts.
- The swimming pool was part of this agreement.
- Regions of the crawl space shown on the attached sketch due to restrictions by framing, lattice, and low ground clearances.

These suggestions are offered to benefit the clients; they have no reflection on the condition of the inspected building.

I. Informational Suggestions:

- Check the lot survey to verify the F.I.R.M. Flood Plain designation. (F.I.R.M, Federal Insurance Rating Map)
- Professional, independent wood destroying insect and organism inspection and certificate should be provided by the seller.

II. Convenience Suggestions:

- The buyer should replace the smoke (and carbon monoxide) detector batteries upon occupancy, and semi-annually thereafter. (Regular daylight saving time changes are good times.)
- The buyer should replace the central HVAC filters, upon occupancy, and at least monthly thereafter.

III. Safety Suggestions:

- For safety, it is suggested that buyer have GFCI (Grounded Fault Circuit Interrupter) devices be installed at all locations within 6 feet of all interior water service locations and on all receptacles in bathrooms and on an exterior receptacle. (This is the current Electrical code requirement)
- Any tripping hazards should be eliminated.
- If the furnace is a gas (or propane) fired system, a deteriorated heat exchanger can emit harmful carbon monoxide gases. It is therefore suggested that the gas fired furnace and heat exchanger be completely inspected and tested on an annual basis, prior to the heating season. For safety, it is suggested that the buyer install a Carbon Monoxide Detector, a device similar to a smoke detector, with a moderate cost.

END OF HOME INSPECTION REPORT

If you should have any questions regarding this report, please contact our office.
Best regards,
Home Inspector Signature
Home Inspector Name
LHI No. 54321